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UNITED STATES DEPARTMENT OF AGRICULTURE  
COMMODITY CREDIT CORPORATION  
WASHINGTON, D. C.

## Instructions Concerning Loans on 1940 Corn

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Commodity Credit Corporation has authorized the making of loans and the purchase of eligible paper secured by corn stored on farms in certain areas. These instructions state the requirements of Commodity Credit Corporation with reference to making such loans on corn and the purchase of notes secured by corn.

**1. Definitions.**—For the purpose of these instructions and the notes and mortgages relating thereto, the following terms shall be construed, respectively, to mean:

(a) **Eligible producer.**—(For each farm as determined by the county agricultural conservation committee in accordance with the provisions of the 1940 Agricultural Conservation Program.)

(1) For counties listed in section 2 (a) hereof (1940 commercial corn area), an eligible producer shall be any person, partnership, association, or corporation producing corn as landowner, landlord, or tenant, upon whose farm the 1940 field-corn acreage planted does not exceed the 1940 corn acreage allotment established for the farm pursuant to Title III of the Agricultural Adjustment Act of 1938, as amended.

(2) For counties listed in section 2 (b) hereof, an eligible producer shall be any person, partnership, association, or corporation producing

corn as landowner, landlord, or tenant, upon whose farm the 1940 total acreage of soil-depleting crops does not exceed the 1940 total acreage allotment for soil-depleting crops established for the farm pursuant to the provisions of the 1940 Agricultural Conservation Program.

- (b) **Eligible corn.**—Ear corn, from December 1, 1940, to September 30, 1941, inclusive, and shelled corn from July 1, 1941, to September 30, 1941, inclusive, produced in 1940 in the areas listed in section 2 (a) and section 2 (b) shall be eligible in all such areas except the area in which corn is subject to angoumois moth infestation, provided:

- (1) The beneficial interest to such corn is and always has been in the eligible producer; or
- (2) Such corn was purchased by an eligible producer who will operate a different farm in 1941 (or 1942) from that operated in 1940 (or 1941) from another eligible producer, and the number of bushels is not in excess of the number of bushels produced by the borrower on the farm operated by him as an eligible producer in 1940;
- (3) Such corn is merchantable field-corn which grades No. 3 or better (except for moisture content and test weight) as defined in the official grain standards of the United States, and that the test weight is not less than 48 pounds or the moisture content is not in excess of the following:

From December 1, 1940, to February 28, 1941, inclusive-----	20½%
From March 1, 1941, to April 30, 1941, inclusive-----	17½%
From May 1, 1941, to June 30, 1941, inclusive-----	15½%
From July 1, 1941, to September 30, 1941, inclusive-----	15½%
For ear corn and 13½% for shelled corn.	

Where corn is otherwise eligible, but subject to angoumois moth infestation, eligibility is confined to ear corn pledged for loan between December 1, 1940, and February 28, 1941, inclusive. The angoumois moth infestation area shall be designated by State Agricultural Conservation Committee subject to approval of the Regional Director, Agricultural Adjustment Administration.

- (c) **Eligible storage** shall consist of cribs or bins which are of such substantial and permanent construction as to afford protection against rodents, other animals, thieves, and weather, as determined by the county agricultural conservation committee.
- (d) **Lending agency.**—Any bank, cooperative marketing association, corporation, partnership, or person, making loans in accordance with these instructions upon 1940 C. C. C. Corn Form A, secured by chattel mortgages on 1940 C. C. C. Corn Form AA which has executed the Contract to Purchase on 1940 C. C. C. Form E.
- (e) **Eligible paper.**—For the purpose of the Contract to Purchase (1940 C. C. C. Form E) eligible paper shall consist of notes of producers upon 1940 C. C. C. Corn Form A which have been approved by a member of the county agricultural conservation committee.

## 2. Corn Areas.—(a) 1940 commercial corn area:

Illinois: All counties except Jefferson, Franklin, and Williamson.

Indiana: All counties except Brown, Clark, Crawford, Floyd, Harrison, Jefferson, Ohio, Perry, and Switzerland.

Iowa: All counties.

Kansas: Anderson, Atchison, Brown, Coffey, Doniphan, Douglas, Franklin, Jackson, Jefferson, Jewell, Johnson, Leavenworth, Linn, Marshall, Miami, Nemaha, Norton, Osage, Phillips, Pottawatomie, Republic, Riley, Shawnee, Smith, and Washington.

Kentucky: Ballard, Carlisle, Crittenden, Davies, Fulton, Hancock, Henderson, Hickman, Livingston, McLean, Union, and Webster.

Michigan: Berrien, Branch, Calhoun, Cass, Hillsdale, Jackson, Kalamazoo, Lenawee, Monroe, St. Joseph, Washtenaw, and Wayne.

Minnesota: Big Stone, Blue Earth, Brown, Carver, Chippewa, Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Grant, Hennepin, Houston, Jackson, Kandiyohi, Lac qui Parle, Le Sueur, Lincoln, Lyon, McLeod, Martin, Meeker, Mower, Murray, Nicollet, Nobles, Olmsted, Pipestone, Pope, Redwood, Renville, Rice, Rock, Scott, Sibley, Stearns,



Steele, Stevens, Swift, Traverse, Wabasha, Waseca, Washington, Watonwan, Winona, Wright, and Yellow Medicine.

Missouri: Adair, Andrew, Atchison, Audrain, Bates, Benton, Boone, Buchanan, Caldwell, Callaway, Cape Girardeau, Carroll, Cass, Chariton, Clark, Clay, Clinton, Cooper, Daviess, De Kalb, Dunklin, Gentry, Grundy, Harrison, Henry, Holt, Howard, Jackson, Johnson, Knox, Lafayette, Lewis, Lincoln, Linn, Livingston, Macon, Marion, Mercer, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Pemiscot, Perry, Pettis, Pike, Platte, Putnam, Ralls, Randolph, Ray, St. Charles, St. Clair, Saline, Schuyler, Scotland, Scott, Shelby, Stoddard, Vernon, and Worth.

Nebraska: All counties except Arthur, Banner, Blaine, Box Butte, Boyd, Brown, Cherry, Cheyenne, Dawes, Deuel, Dundy, Garden, Garfield, Grant, Holt, Hooker, Keith, Keyapaha, Kimball, Logan, Loup, McPherson, Morrill, Rock, Scotts Bluff, Sheridan, Sioux, Thomas, and Wheeler.

Ohio: All counties except Ashtabula, Athens, Belmont, Carroll, Columbiana, Cuyahoga, Gallia, Geauga, Guernsey, Harrison, Hocking, Jefferson, Lake, Lawrence, Mahoning, Meigs, Monroe, Morgan, Noble, Portage, Summit, Trumbull, Tuscarawas, Vinton, Washington.

South Dakota: Bon Homme, Brookings, Clay, Deuel, Grant, Hanson, Hamlin, Hutchinson, Kingsbury, Lake, Lincoln, McCook, Minnehaha, Moody, Roberts, Turner, Union, and Yankton.

Wisconsin: Columbia, Crawford, Dane, Grant, Green, Iowa, Jefferson, Lafayette, Richland, Rock, Sauk, and Walworth.

**(b) 1940 noncommercial corn area:**

Colorado: All counties.

Illinois: Franklin, Jefferson, and Williamson.

Indiana: Brown, Clark, Crawford, Floyd, Harrison, Jefferson, Ohio, Perry, and Switzerland.

Kansas: Allen, Barber, Barton, Bourbon, Butler, Chase, Chautauqua, Cherokee, Cheyenne, Clark, Clay, Cloud, Comanche, Cowley, Crawford, Decatur, Dickinson, Edwards, Elk, Ellis, Ellsworth, Finney, Ford, Geary, Gove, Graham, Grant, Gray, Greeley, Greenwood, Hamilton, Harper, Harvey, Haskell, Hodgeman, Kearny, Kingman, Kiowa, Labette, Lane, Lincoln, Logan, Lyon, McPherson, Marion, Meade, Mitchell, Montgomery, Morris, Morton, Neosho, Ness, Osborne, Ottawa, Pawnee, Pratt, Rawlins, Reno, Rice, Rooks, Rush, Russell, Saline, Scott, Sedgwick, Seward, Sheridan, Sherman, Stafford, Stanton, Stevens, Sumner, Thomas, Trego, Wabaunsee, Wallace, Wichita, Wilson, Woodson, and Wyandotte.

Kentucky: All counties except Ballard, Carlisle, Crittenden, Davies, Fulton, Hancock, Henderson, Hickman, Livingston, McLean, Union, and Webster.

Michigan: All counties except Berrien, Branch, Calhoun, Cass, Hillsdale, Jackson, Kalamazoo, Lenawee, Monroe, St. Joseph, Washtenaw, and Wayne.

Minnesota: Aitkin, Anoka, Becker, Beltrami, Benton, Carlton, Cass, Chisago, Clay, Clearwater, Cook, Crow Wing, Douglas, Hubbard, Isanti, Itasca, Kanabec, Kittson, Koochiching, Lake, Lake of the Woods, Mahnomen, Marshall, Mille Lacs, Morrison, Norman, Otter Tail, Pennington, Pine, Polk, Ramsey, Red Lake, Roseau, St. Louis, Sherburne, Todd, Wadena, and Wilkin.

Missouri: Barry, Barton, Bollinger, Butler, Camden, Carter, Cedar, Christian, Cole, Crawford, Dade, Dallas, Dent, Douglas, Franklin, Gasconade, Greene, Hickory, Howell, Iron, Jasper, Jefferson, Laclede, Lawrence, McDonald, Madison, Maries, Miller, Morgan, Newton, Oregon, Osage, Ozark, Phelps, Polk, Pulaski, Reynolds, Ripley, St. Francois, St. Louis, Ste. Genevieve, Shannon, Stone, Sullivan, Taney, Texas, Warren, Washington, Wayne, Webster, and Wright.

Nebraska: Arthur, Banner, Blaine, Box Butte, Boyd, Brown, Cherry, Cheyenne, Dawes, Deuel, Dundy, Garden, Garfield, Grant, Holt, Hooker, Keith, Keyapaha, Kimball, Logan, Loup, McPherson, Morrill, Rock, Scotts Bluff, Sheridan, Sioux, Thomas, and Wheeler.

North Dakota: All counties.

Ohio: Ashtabula, Athens, Belmont, Carroll, Columbiana, Cuyahoga, Gallia, Geauga, Guernsey, Harrison, Hocking, Jefferson, Lake, Lawrence, Mohoning, Meigs, Monroe, Morgan, Noble, Portage, Summit, Trumbull, Tuscarawas, Vinton, and Washington.

South Dakota: Armstrong, Aurora, Beadle, Bennett, Brown, Brule, Buffalo, Butte, Campbell, Charles Mix, Clark, Codington, Corson, Custer, Davison, Day, Dewey, Douglas, Edmunds, Fall River, Faulk, Gregory, Haakon, Hand, Harding, Hughes, Hyde, Jackson, Jerauld, Jones, Lawrence, Lyman, McPherson, Marshall, Meade, Mellette, Miner, Pennington, Perkins, Potter, Sanborn, Shannon, Spink, Stanley, Sully, Todd, Tripp, Walworth, Washabaugh, Washington, and Ziebach.

Wisconsin: All counties except Columbia, Crawford, Dane, Grant, Green, Iowa, Jefferson, Lafayette, Richland, Rock, Sauk, and Walworth.

Wyoming: All counties.

**3. Amount.**—Loans will be made on eligible corn to eligible producers in accordance with the following provisions:

Loans will be made at the rate of 61 cents per bushel for corn produced in the "Commercial Corn Area" (listed in section 2 (a) hereof) and at the rate of 46 cents per bushel for corn produced in the "Noncommercial Corn Area" (listed in section 2 (b) hereof), except that, in the case of corn classified as "Mixed Corn," the rate shall be 2 cents less per bushel. A bushel of ear corn shall be determined by using not less than  $2\frac{1}{2}$  cubic feet of ear corn testing not more than  $15\frac{1}{2}$  percent in moisture content. A deduction from the number of bushels of ear corn so computed will be made for moisture content in excess of  $15\frac{1}{2}$  percent in accordance with the following schedule:

Moisture content (percent)	Deduction (percent)	Moisture content (percent)	Deduction (percent)
$15\frac{1}{2}$ to $16\frac{1}{2}$ -----	2	$18\frac{1}{2}$ to $19\frac{1}{2}$ -----	8
$16\frac{1}{2}$ to $17\frac{1}{2}$ -----	4	$19\frac{1}{2}$ to $20\frac{1}{2}$ -----	10
$17\frac{1}{2}$ to $18\frac{1}{2}$ -----	6	Above $20\frac{1}{2}$ -----	( <sup>1</sup> )

<sup>1</sup> No loan.

A bushel of shelled corn shall be determined by using not less than  $1\frac{1}{4}$  cubic feet of shelled corn.

**4. Maturity and interest rate.**—Loans will be available from December 1, 1940, to September 30, 1941, inclusive, and all chattel mortgages must be filed of record within such period. Loans mature on August 1, 1943, unless they are called at an earlier date by Commodity Credit Corporation, and will bear interest at the rate of three percent (3%) per annum. Borrowers must agree to store the pledged corn until October 15, 1943.

**5. Farm storage.**—The county agricultural conservation committees will supervise the inspection of storage structures, measuring, and sealing the corn by an inspector, and will arrange for moisture testing of samples. Chattel mortgages covering the corn must be executed and filed in accordance with the applicable State law. Producers may obtain information and assistance from the county agricultural conservation committee in regard to the execution and filing of such chattel mortgages. Where the borrower is a tenant, the expiration date of the lease must be given in section 2 (b) of the chattel mortgage. If the expiration date of the lease is prior to October 15,



1943, the landlord shall execute the Consent for Storage, section 5 of 1940 C. C. C. Corn Form AA. The consent agreement must also be signed by any other party or parties entitled to possession of the farm prior to October 15, 1943. Although no loan will be approved unless the borrower has control over, or proper consent for, the storage of the corn until October 15, 1943, borrowers completing their loans prior to April 1, 1941, shall be permitted to deliver collateral between August 1, 1941, and October 31, 1941, if they have lost possession of the farm upon which the corn is stored or have received notice from the landlord requesting removal of the corn from the structures in which it is stored; and any borrower who does not wish to continue his loan until August 1, 1943, may deliver the collateral in satisfaction of the loan between August 1, 1942 and October 31, 1942. In either foregoing event borrowers must give their county agricultural conservation committee 30 days' written notice of intention prior to delivery.

**6. Execution and filing of chattel mortgage.**—All chattel mortgages will be prepared in triplicate, and the original or duplicate copy shall be filed for record in accordance with the respective State laws. The receipt of the recorder, register of deeds, county clerk, auditor, or similar authorized county official, must be completed and executed on one copy of the mortgage to indicate the date of filing or recordation; such copy to be held in the office of the county association. In those instances in which chattel mortgages must be filed in both the county in which the mortgagor resides and in the county in which the corn is stored, the triplicate copy of the mortgage must be used for this purpose and an additional receipt from the county official typed or stamped on the copy of the mortgage held in the office of the county association. Except where required for filing, the triplicate copy of the mortgage with the duplicate copy of the note should be delivered to the mortgagor. In case the triplicate copy is used for filing, the mortgagor should be given a copy of the mortgage which may be completed on any one copy of the form. A separate mortgage must be completed for corn stored on each quarter section.

All documents must be carefully examined as to compliance with the following requirements:

**Colorado:** The mortgage must be executed and acknowledged by the mortgagor. The original or a duplicate copy thereof must be filed for record in the office of the clerk and recorder of the county in which the corn is stored.

**Illinois:** The mortgage must be executed and acknowledged by the mortgagor. The original mortgage must be endorsed by the mortgagee or his agent as follows: "This mortgage to be filed but not recorded," and filed for record within 10 days from the date of execution in the office of the recorder of deeds of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the recorder of deeds of the county in which the corn is stored. Commodity Credit Corporation will not accept any note secured by mortgage filed for record later than 10 days after the date of the note and mortgage.

**Indiana:** The mortgage must be executed and acknowledged by the mortgagor. The original mortgage must be filed for record in the office of the recorder of the county in which the mortgagor resides, or,

if a nonresident of the State, in the office of the recorder of the county in which the corn is stored.

Iowa: The mortgage must be executed and acknowledged by the mortgagor and spouse. The original or a duplicate copy must be filed for record in the office of the recorder of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the recorder of the county in which the corn is stored.

Kansas: The mortgage must be executed by the mortgagor and spouse. The original or a duplicate copy must be filed for record immediately upon the execution of the mortgage in the office of the register of deeds of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the register of deeds of the county in which the corn is stored. Commodity Credit Corporation will not accept any note secured by mortgage filed for record later than 10 days after the date of the note and mortgage.

Kentucky: The mortgage must be executed by the mortgagor either in the presence of two witnesses or it must be acknowledged before an officer qualified to take acknowledgments. The original or a duplicate copy of the mortgage must be filed for record in the office of the county clerk of the county in which the mortgagor resides, or, if the mortgagor is a nonresident of the State, it must be filed for record in the office of the county clerk of the county in which the corn is stored.

Michigan: The mortgage must be executed by the mortgagor. The mortgagor's affidavit of good faith and receipt on such mortgage must be completed by the mortgagor. The original or a duplicate copy of the mortgage must be filed for record in the office of the register of deeds of the county in which the corn is stored. If the mortgagor resides in another county within the State, the triplicate copy of the mortgage must be certified as a true copy and filed for record in the office of the register of deeds of such county.

Minnesota: The chattel mortgage must be executed by the mortgagor in the presence of two witnesses and duly acknowledged. The original chattel mortgage must be filed in the office of the register of deeds of the county in which the property is situated, unless the property is situated in cities of the first class, whereupon the chattel mortgage must be filed in the office of the clerk of the municipality where the property is situated. A full, true, and correct copy of the chattel mortgage must be delivered to the mortgagor whose receipt therefor is contained in the body of the mortgage.

Missouri: The mortgage must be executed and acknowledged by the mortgagor. The original or a duplicate copy of the mortgage must be filed for record in the office of the recorder of deeds of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the recorder of deeds of the county in which the corn is stored.

Nebraska: The mortgage must be executed by the mortgagor. The original or a duplicate copy of the mortgage must be filed for record in the office of the county clerk of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the county clerk of the county in which the corn is stored.

North Dakota: The mortgage must be signed by the mortgagor and spouse in the presence of two witnesses who must sign the same as



witnesses thereto, or must be acknowledged before some official qualified to take acknowledgments. The mortgagor's receipt for copy of mortgage must be signed by the mortgagor and spouse and attached to the mortgage and must accompany the mortgage when presented for filing and be filed therewith. The original mortgage, with receipt for copy attached thereto, must be filed in the office of the register of deeds in the county in which the property is situated.

Ohio: The mortgage must be executed by the mortgagor. The mortgagee's affidavit of good faith must be completed by the payee except in the case of direct loans, in which event it must be completed by a member of the county committee as agent of Commodity Credit Corporation. The original or duplicate copy must be filed in the office of the county recorder of the county in which the mortgagor resides, or, if a nonresident of the State, in the office of the county recorder of the county in which the corn is stored.

South Dakota: The chattel mortgage must be signed by the mortgagor in the presence of two persons who must sign as witnesses thereto, or it may be acknowledged before some officer qualified by the laws of the State of South Dakota to take acknowledgments. The original chattel mortgage, or an authenticated copy thereof, must be filed in the office of the register of deeds of the county where the property mortgaged, or any part thereof, is situated. A full, true, and complete copy of the mortgage must be delivered to the mortgagor, whose receipt therefor is contained in the body of the mortgage.

Wisconsin: The chattel mortgage must be executed by the mortgagor and spouse in the presence of two witnesses. The original mortgage must be filed with the register of deeds in the county in which the property is located.

Wyoming: The mortgage must be executed and acknowledged by the mortgagor. The original or a duplicate copy must be filed for record in the office of the register of deeds in the county in which the corn is stored.

**7. Liens.**—The corn collateral must be free and clear of all liens except in favor of the lienholders listed in the space provided therefor in 1940 C. C. C. Corn Form AA. The names of the holders of all existing liens on the pledged or mortgaged corn, such as landlord, laborers, or mortgagees, must be listed in the space provided therefor in the mortgage. The waiver of priority and consent to pledge or mortgage the corn and the payment of the proceeds of the loan and the proceeds of the sale of the corn solely to the producer as contained in the mortgage or in 1940 C. C. C. Corn Form AB must be signed personally by all lienholders listed or by their authorized agents; or, if corporations, by the designated officer thereof customarily authorized to execute such instruments. The producer must direct in his note that the proceeds of the loan be made payable to him and/or such other person or concern as he may direct thereon. Producers should read carefully all real estate or other mortgages previously given by them in order to determine whether crops are covered thereby. Any fraudulent representation made in the execution of the note and mortgage and related forms shall render the producer personally liable for the amount of the loan and subject to the provisions of the United States Criminal Code.

## 8. Insurance.—

- (a) **Insurance carried by producers.**—All producers shall provide insurance on the corn for not less than the amount of the loan with accrued interest to November 1, 1942. Such insurance shall be evidenced by a certificate substantially in the form printed at the end hereof, issued by a company or association licensed to do business in the State in which the corn is stored. The insurance coverage may be obtained through the customary channels and the form of certificate required shall be furnished by the agent writing same. Borrowers who do not elect to repay their loans prior to November 1, 1942 must provide insurance for the period ending November 1, 1943.
- (b) **Insurance carried by Commodity Credit Corporation.**—In addition to the foregoing, Commodity Credit Corporation has obtained a blanket insurance policy which covers any loss by or in consequence of damage to or destruction of the pledged or mortgaged corn arising from fire, lightning, inherent explosion, cyclone, tornado, windstorm, hail, theft, wrongful conversion, and flood.

This policy covers errors and omissions and is in the nature of excess insurance. The cost of such insurance is payable to the county committee and will be included as a part of the service fee. This insurance covers all lending agencies and covers the equity of the producers for any loss from flood or theft.

**9. Producer responsibility.**—The note and mortgage govern the responsibility of the producer and should be read carefully. In case the producer delivers the corn collateral in payment of his loan he shall deliver a quantity of shelled corn grading No. 3 or better corresponding to the number of bushels upon which the loan was computed. It is important that the producer place his corn in good storage structures and maintain such structures in good repair and protect the corn collateral against damage from weather, rodents, and insects. In those areas subject to insect infestation careful supervision must be maintained and infestation reported immediately to the county committee. Producers must be prepared to shell, store, and fumigate their corn in tight bins when so instructed by Commodity Credit Corporation and in the event they wish to shell the collateral corn and store same in satisfactory storage they should request the county agricultural conservation committee for authority to do so.

**10. County agricultural conservation committees.**—1940 C. C. C. Corn Form A provides for an approval by the county committee which should not bear a date prior to the date of the mortgage securing such note and which must be signed in each instance by a member of a county agricultural conservation committee of the county in which the corn is stored. When a producer stores corn for a loan in a county other than the county in which the corn was produced, the committee for the county where the corn is stored must secure a written certification of eligibility from the county committee where the corn was produced before certifying the loan.

(a) **APPROVAL OF CORN NOTE BY MEMBER OF COUNTY COMMITTEE.**—The member of the county agricultural conservation committee who approves a corn producer's note (1940 C. C. C. Corn Form A) by signing in the space provided on such note for the approval thereof by the county agricultural conservation committee shall, in so approving the note, certify on behalf of such committee that the corn securing the note, the storage structure(s) in which such corn is stored and the class, quality, and quantity of such corn have been inspected, determined and sealed in accordance with the requirements of the Com-



modity Credit Corporation and the Secretary of Agriculture; that the representations set forth in the chattel mortgage securing such note are true and correct; that the chattel mortgage has been properly executed and filed for record; that satisfactory evidence of the authority of all parties executing the note and chattel mortgage, lien waivers, and consents for storage has been received and any documentary evidence of authority will be held by the committee; that the original or duplicate copy of said mortgage bearing receipt of the county recording official is held by the committee; that a proper primary insurance certificate on an approved form is filed with said chattel mortgage; that a careful search has been made of lien records and to the best of the knowledge and belief of the committee all existing liens on the corn covered by said mortgage have been duly waived; that consents for storage where necessary have been executed.

**11. Preparation of documents.**—Loan documents will be prepared by county agricultural conservation committee. All blanks in 1940 C. C. C. Corn Forms A and AA must be filled in with ink, typewriter, or indelible pencil, and no documents containing additions, alterations, or erasures will be accepted by Commodity Credit Corporation. Substitutions for these forms will not be acceptable.

**12. Source of loans.**—It is contemplated that loans will be obtained from banks and other local lending agencies, which, in turn, may sell the notes evidencing such loans to Commodity Credit Corporation. Producers may also obtain loans directly from Commodity Credit Corporation. Notes for direct loans shall be made payable to Commodity Credit Corporation and shall be delivered to the Chicago Office of Commodity Credit Corporation. Paper for direct loans tendered by mail, in person, or otherwise must be delivered or postmarked prior to October 1, 1941. Upon delivery of all necessary documents properly executed and upon approval of the loan, payment shall be made pursuant to the request of the borrower contained in his note.

**13. Purchase of loans.**—Commodity Credit Corporation will purchase without recourse, eligible paper as defined in section 1 (e) hereof, only from lending agencies which have executed and delivered to the Special Representative of Commodity Credit Corporation serving the area a Contract to Purchase (1940 C. C. C. Form E). Notes held by lending agencies may be tendered to Commodity Credit Corporation, Chicago, Illinois, at any time prior to July 1, 1943, but must be tendered for purchase upon request of the Commodity Credit Corporation and in no event later than July 1, 1943. The purchase price to be paid by Commodity Credit Corporation for notes accepted will be the face amount of such notes, plus accrued interest from the respective dates to the date of payment of the purchase price at the rate of  $1\frac{1}{2}$  percent per annum. Under the terms of the Contract to Purchase, lending agencies are required to report weekly on 1940 C. C. C. Form F all payments or collections on producers' notes held by them, and to remit promptly to Commodity Credit Corporation an amount equivalent to one and one-half percent ( $1\frac{1}{2}\%$ ) interest per annum on the principal amount collected from the date of the note to the date of payment. In connection with the 1940 corn loan program, lending agencies must submit notes and reports to the Regional Manager, Commodity Credit Corporation, 164 West Jackson Boulevard, Chicago, Illinois.



**14. Release of collateral held by Commodity Credit Corporation.**—A producer may obtain the return of notes secured by corn upon his request in writing and payment of the principal amount due thereon with accrued interest and proper charges. The producer's note will be transmitted to an approved bank with instructions to deliver such note to the producer, or his agent, upon the payment of the full amount due thereon with accrued interest and proper charges. Where such note is sent to an approved bank for collection, instructions shall be given to return the note to the sender if payment and release are not effected within 15 days. All charges and expenses of the collecting bank shall be paid by the producer. County agricultural conservation committees will be requested to release the mortgage of record after payment in full either by the filing of an instrument of release or by a margin release on the county records.

If the producer's note is made payable directly to Commodity Credit Corporation and he desires to obtain the release of collateral upon payment, as aforesaid, he should notify the Chicago Office of Commodity Credit Corporation. If his note was made payable to a payee other than Commodity Credit Corporation, the producer should notify the payee named therein.

The producer may repay his note in full, obtaining release of all corn securing payment of the note, or he may obtain release of one or more complete cribs or bins of corn under loan by paying the amount loaned, plus interest on the corn contained in the crib(s) or bin(s) which he wishes released.

Certificate Number		Amt. \$
-----	CERTIFICATE OF INSURANCE	Prem. \$
Agency at	GRAIN IN FARM STORAGE	-----
-----		Term -----

This certificate applies to ----- sealed under Seal  
(Kind of Grain)  
No(s). -----

THIS CERTIFIES that in consideration of ----- dollars premium,  
The -----  
(Subject to all the terms and conditions of Open Policy No. -----,  
issued by this Company or Association) Does Insure -----

-----  
against all direct loss or damage by Fire, Lightning, Inherent Explosion, Windstorm, Cyclone, Tornado, and Hail in the sum of -----  
Dollars on ----- bushels of grain stored and sealed in the  
possession of the insured in structure(s) situated on the -----  
Quarter of Section -----, Township -----, Range -----,  
County of -----, State of -----, from  
the ----- day of -----, 19--, at twelve o'clock noon, to  
the ----- day of -----, 19--, at twelve o'clock noon, said  
structure(s), having been inspected and sealed in accordance with  
regulations issued by the Secretary of Agriculture pursuant to the  
Agricultural Adjustment Act of 1938, as amended.

Any loss which may be ascertained and proved to be due the insured under this contract shall be payable to the insured and/or the holder of note secured by such grain as their respective interests may appear.

SPECIAL GRAIN ENDORSEMENT, PROVIDING THE BASIS OF ADJUSTMENT IN  
CASE OF LOSS ON GRAIN MORTGAGED UNDER LOAN PROGRAM OF COMMODITY  
CREDIT CORPORATION

All or any part of the grain described herein having been mortgaged as security for a loan on any farm approved by Commodity Credit Corporation, it is a condition of the insurance that in event of loss or damage to any of such mortgaged grain the basis of adjustment shall be the actual cash market value at the time and place of the loss, except that if such actual cash market value is less than the loan value per bushel, plus storage charges, plus accrued interest, then such actual cash market value shall be disregarded and the value of any grain so mortgaged shall be deemed to be the loan value per bushel, plus storage charges, plus accrued interest thereon. In the event all or any portion of such grain is eligible for restorage, it may be resealed as collateral in suitable farm storage structures or transferred to an approved warehouse for storage. No loss will be claimed on such grain by the insured, provided delivery of the grain is made at the designated delivery point and settlement is made with the insured for warehouse charges, including storage, until maturity date of the note.

This special Adjustment Clause does not apply to any grain not pledged in the manner hereinbefore described.

This certificate shall attach and apply only so long as the note secured by the grain described herein is outstanding.

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IN WITNESS WHEREOF, this Company or Association has executed and attested these presents, but this certificate shall not be valid until countersigned by a duly authorized agent of the Company or Association.

*Secretary.*

*President.*

Countersigned at -----,

this ----- day of -----, 19---. ----- Agent,

